

Message Text

LIMITED OFFICIAL USE

PAGE 01 ZAGREB 00168 291348 Z

53

ACTION COME-00

INFO OCT-01 EUR-25 ADP-00 AGR-20 AID-20 CIAE-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01 FTC-01 RSR-01

/122 W

----- 053742

R 291300 Z MAR 73

FM AMCONSUL ZAGREB

TO SECSTATE WASHDC 1872

INFO AMEMBASSY BELGRADE

LIMITED OFFICIAL USE ZAGREB 0168

PASS COMMERCE, OPIC, FAS, EXIM

E. O. 11652: N/A

TAGS: EAGR ETRD YO

SUBJECT: JOINT VENTURE: SOY BEANS

REF: A. STATE 22859; B. BELGRADE 178

SUMMARY: SOY BEAN PROJECT MAY BE GAINING SIGNIFICANT LOCAL SUPPORT. INVESTMENT VARIANT ALSO SHAPING UP WHICH MAY ENABLE FOREIGN PARTNER ALSO PARTICIPATE IN BEEF PRODUCTION WHICH SIGNIFICANT HARD- CURRENCY EARNER AND PERHAPS MEANS TO EASE PAY- OUT PROBLEM MENTIONED REF A. END SUMMARY

1. RECENT CONVERSATIONS ZAGREB INDICATE SOY BEAN PROJECT VERY MUCH ON FRONT BURNER LOCALLY. ACCORDING ENGINEER MACHIEDO OF FOOD PROCESSING INSTITUTE (SEE ALSO REF B), CURRENT PARAMETERS VENTURE AS FOLLOWS:

A. CROATIAN AND SLOVENIAN GOVERNMENTS HAVE AGREED THAT TWO (2) PLANTS SHOULD BE CONSTRUCTED BY 1975-- ONE IN " CONTINENTAL" INTERIOR: OTHER ON COAST.

B. COASTAL PLANT, WITH IMMEDIATE PROCESSING CAPACITY 1000 TONS DAILY, EXPECTED REMAIN IMPORT DEPENDENT, RE-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ZAGREB 00168 291348 Z

QUIRING DELIVERIES 300,000 TONS OF BEANS ANNUALLY WHICH YUGOSLAVS WOULD LIKE TO ASSURE THROUGH LONG- TERM CONTRACT WITH US PARTNER.

C. YUGOSLAVS BELIEVE 1000- TON PLANT OUGHT TO COST " ABOUT \$20 MILLION." CONSORTIUM BEING DEVELOPED INCLUDING SLO- VENE AND CROATIAN FOOD PROCESSING FIRMS WHICH EXPECTS RAISE \$4 MILLION CASH. INTERNATIONAL INVESTMENT CORPORA- TION YUGOSLAVIA (ICCY) REPORTEDLY MAY PARTICIPATE WITH ADDITIONAL \$1 MILLION; US PARTNER WOULD BE ASKED FOR \$3 MILLION. JOINT VENTURE ENTERPRISE WOULD THEN BORROW ABOUT \$12 MILLION -- WHICH COULD INCLUDE EXPORT AND COMMODITY CREDITS FOR EQUIPMENT AND WORKING CAPITAL.

D. THOUGH TWO WESTERN EUROPEAN FIRMS REPORTEDLY INTERESTED SUPPLYING EQUIPMENT, INCLUDING FRG FIRM KRUPP, YUGOSLAVS PREFER US PARTNER BOTH FOR TECHNOLOGY AND ALSO TO ENSURE RAW MATERIALS SUPPLY. MACHIEDO STATES CYRUS EATON AND TOWER CORPORATION INTERESTED.

E. YUGOSLAVS REPORTEDLY CONSIDERING VARIANT INVESTMENT OPTION FOR FOREIGN PARTNER TO INVEST PROFITS IN JOINT- VENTURE BEEF PRODUCTION. AT LEAST ONE YUGOSLAV MEMBER CONSORTIUM LIKELY TO BE BEEF PRODUCING FIRM.

F. MEETINGS REPORTEDLY SCHEDULED MARCH 29 AND 30 BETWEEN SLOVENE AND CROATIAN GOVTS DESIGNED TO GIVE ZADAR FORMAL SEAL OF APPROVAL AS SITE COASTAL PLANT.

2. COMMENT: IN VIEW YUGOSLAV ACCESS TO WESTERN EUROPEAN MARKET, JOINT- VENTURE BEEF PRODUCTION-- EITHER AS DERIVATIVE OR BASIC COMPONENT OF JOINT VENTURE-- COULD ADD MUCH TO PROPOSITION. FURTHERMORE, BEEF " TARGET INDUSTRY" IN BOTH CROATIA AND SLO- VENIA REPUBLICS WHICH SUGGESTS PROJECT COULD RECKON WITH SUB- STANTIAL OFFICIAL SUPPORT.

WILSON

LIMITED OFFICIAL USE

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ZAGREB00168
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: ZAGREB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730344/aaaaiter.tel
Line Count: 100
Locator: TEXT ON-LINE
Office: ACTION COM
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A.STATE 22859, B.BELGRADE 178
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 09 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Oct-2001 by kelleyw0>; APPROVED <15-Oct-2001 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> wfs 980126
Subject: JOINT VENTURE: SOY BEANS
TAGS: EAGR, ETRD, YO
To: BELGRADE
COME
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005